

MINUTES OF THE
WEST LAFAYETTE REDEVELOPMENT COMMISSION
August 29, 2003
Amended

Redevelopment Commission members present: Steve Belter, Earle Nay, Patsy Hoyer, and Barbara Cook. Also in attendance: Mayor Sonya Margerum, Clerk Treasurer Judy Rhodes, City Attorney Bob Bauman, Development Director Josh Andrew, Charlotte Martin and Beverly Shaw of the Development Department, Tom Gall of TJ Gall & Associates, Parks Superintendent Joe Payne, Public Information Officer Wyatt Hornsby, City Council members Jan Mills and Gil Satterly, Gary Malone and Richard Treptow of Umbaugh and Associates, and citizens and members of the media.

Mr. Belter called the meeting to order.

NEW BUSINESS

Mr. Belter stated that the item of discussion today is the TIF Replacement Levy. In particular, we need to announce that we have with us today from Umbaugh and Associates, both Mr. Malone and Mr. Treptow, who can help us with the intricacies of the process. Before I ask them to speak, are there members of the audience who would like to pose a question about the questions or make a statement about the Replacement Levy?

Ms. Mills asked that at what point when our forms had to be returned to the State, did we have enough information to turn down the levy?

Mr. Malone stated that we need to talk a little about the process. There was a point in time when all the calculations were estimates that were based on assessed value before we assessed. The reality is that no one knew that impact of the reassessment. Now we can make a better decision based on actual information.

Mr. Malone gave a power point presentation. (See attached) *Dictation was difficult during this time due to the noise from the projector.*

Mr. Malone stated that the Replacement Levy is something that was established by the State. It is not something that the City creates.

Mr. Treptow gave a breakdown of the numbers for the TIF Replacement Levy using the power point presentation.

Questions were asked and answered, but were again difficult during this time due to the noise from the projector.

Mr. Belter stated that the default decision is probably the one we would have made anyway because it was not clear, at the time, with the information estimates that we had, that it was going to be anywhere close to that.

Mr. Belter stated that the State passed a new law in June of 2002 that had the TIF Replacement Levy in it. It was a brand new concept for the State and certainly to the Redevelopment Commission as well. In November 2002, Mr. Malone's firm (Umbaugh & Associates) produced an estimate of what the income might be for the coming year. They analyzed it by district based on the best information they had. The problem was not only that we didn't have the reassessment, but we didn't know what the improvements in the districts were. We did not have this re-calculation. We had not gone through this process. As Mr. Treptow explained, it looks like we benefited. The district and its increments benefited because of the way the state computed the change in the base rate. It could have just as easily been reduced. That information that we had at that time showed that in the KCB District we should be fine with the amount of money that we had coming in to cover our debt service, but the state projects that we were involved with in the KCB District for which there was the bond issue included three major projects. The estimates of those costs came in at around seven million dollars. The proceeds from the bond issue were about six million dollars. The plan then was to spend approximately a million worth of cash out of the income in the KCB District.

The history of the West Lafayette Redevelopment Commission is to be opportunistic. While we have some general plans for the area and sometimes very specific plans, we don't know when a developer is going to come along with an idea or an opportunity is going to present itself that with the addition of the TIF funds we can leverage those funds for the benefit of the district and the City as a whole. The amount of money being collected at that time in the Sagamore District was not a huge amount.

In the Levee/Village District where we had the bond issue for the parking garage, without the Replacement Levy, the amount of income from the TIF District would be short of our bond payments by about \$30,000. If that was a solid figure, that is something that we probably could've lived with. We have some cash saved in that district. My recollection at the time was \$250,000. We could have paid that shortfall out of that cash. With the Replacement Levy then we would have had 113% (estimate) of the amount needed to cover the bonds. Again, there are a number of projects in that area. We would like to be in a position where we haven't spent the cash balance down to zero because that reduces your options to react to opportunities as they are presented.

In December, the Commission approved the submission to the State of the worksheets that Umbaugh had presented to us where they estimated what the loss to the TIF Districts would be because of the change in the tax law that shifted the school levy from property taxes to sales taxes. We had a discussion at that point about our choices given in part II, but the conclusion of the Commission, not taken in a formal vote, was that we didn't have the information we needed to make a decision on whether or not to pass on the levy or on a portion of the levy.

The subject came up again in the February meeting, as it did frequently during our meetings. I believe that Mrs. Rhodes passed out to us a copy of a memo that she had received from Umbaugh dated February 6th. In particular, pointing out that the decision window for this would be very short of about 1 week.

The 1782 notice was mailed in July. This falls into the trivia category. As I understand it, Mrs. Rhodes asked for and received from the Department of Local

Government Finance, a copy of the 1782 notice which they said had been mailed to Mr. Andrew for the Redevelopment Commission. It's dated July 3rd and in there it states a deadline date of July 14th, with a statement that no extensions will be granted. The trivia aspect is that at Mr. Andrew's request, Mr. Treptow pulled out the fax that Mr. Andrew had faxed to Umbaugh, and faxed it back to Mr. Andrew. What's interesting is what Mr. Andrew received with the Department of Development stamp on it, has different dates on it, being later. So instead of being sent on July 3rd, it was sent on July 7th and was received in the Department of Development office on July 11th and the deadline was July 17th. A very short window, with a lot of vacations occurring within that time, and I think it probably would have been appropriate had Mr. Andrew provided that information to the Mayor and the Clerk-Treasurer at that time. However, there were still a lot of questions about whether the numbers were accurate and whether or not those were the final numbers. The Redevelopment Commission did not have a meeting scheduled during that window. It probably wouldn't have been impossible to schedule one, but I'm unclear on whether or not we would've gotten a quorum. With that said, I don't think that we would've chosen to pass up on the Replacement Levy. In part because there were so many uncertainties. Had we passed up on the Replacement Levy, if the estimates were accurate, we would've been \$30,000 in the *hole* in the Levee/Village District, which we could've handled. However, we had been warned by Umbaugh that there are a lot of uncertainties associated with that. Turns out that we were very fortunate in having the money coming in, but there's every reason, at that time, instead of being \$30,000 in the *hole*, we could've been \$90,000 in the whole.

Mr. Truitt asked what time frame are you referring to with those estimates, was that in July? Mr. Belter stated that those are the estimates that we received in November. Mr. Truitt stated that in July the estimates became a little bit more. Mr. Belter stated that at that time Mr. Treptow didn't have the development portion.

Mrs. Rhodes stated that in terms of going forward, what would be impediment to having revised your estimates as to Umbaugh & Associates? Mr. Belter stated that we didn't receive it until July 11th. *Discussions were made over one another, which made dictation impossible.* Mr. Treptow stated that we weren't requested to revise the revenue check. Mrs. Rhodes asked if it had been requested, then you would've been able to do it. Mr. Treptow stated that he doesn't know if the information would've been available. I don't know when the abstract became available.

Mr. Dietrich asked for clarification from Mr. Belter. I've heard you comment a couple of times that you probably would not have voted to rescind to the levy. As I understand from the very beginning of this, it wasn't this Commission's charge to do that. It was the legislative body which is explained to the Common Council. Was this ever brought to the Council? Mr. Belter stated that the way it was explained to him, and how he understood it was that it was the Commission's role to look at the estimate, look at our commitments, and decide from that basis whether or not we would recommend to the Council a change in the levy; a change in what the State would compute at the local tax rate. Mr. Dietrich asked if that decision was ever made, either way for or against, to the Council. Mr. Belter stated that recommendation was not made to the Council because the Commission did not meet to discuss it and make a decision. Mr. Dietrich stated that the general numbers or estimates have been coming in for nine months now. Mr. Belter said that the estimates have not been coming in for nine months. Mr. Dietrich stated that he's hearing December of 2002 for some estimates and February or March. Mr. Belter stated

that there was no new estimate in February. It's just that Mrs. Rhodes had received a memo from Umbaugh talking about the short time frame that we would have to make a decision. There were no new numbers at that point. When the question is, did the Commission have any discussion or aware in any way of the process, we're aware of the process but didn't have hard figures on which to make any decision until on or about July 11th, which is when the notice arrived here at city hall. It had a deadline on it of July 17th, which included a week in the middle of the summer that we didn't have a meeting during that window to discuss it. Would we ideally have liked one, yes. I'm not particularly upset about that, given that this is the first time through and there are a lot of unknown and it was just literally brand new to us. That said, had we had a meeting, like I would've hoped, I'm not sure that we would've made a different decision than the default decision and the State law was written that if you don't specifically take this action, this rate will go into effect.

Mr. Nay stated that he talked to Mr. Neal (City of Lafayette Redevelopment Director) and he indicated that in Lafayette that with the 5 TIF Districts that they have, they felt that it would be necessary to take the levy. They followed the procedures, as they understood it, which was that the Redevelopment Commission was able to make this decision and only pass it on as a document of information to the Council. Mr. Dietrich said that at the beginning of this presentation, we were told that the legislative body may reduce or rescind. That leaves me to believe that the Common Council should've been involved at some point. Mr. Belter stated that the way that the State law was written, the Council does not specifically take action unless the decision is going to be made to reduce. It makes sense that since it's the Redevelopment Commission that oversees the TIF Districts and the projects in the TIF Districts, that it's the Commission that should be providing the advice to the Council. The Council can ignore that advice if they choose.

Mr. Truitt said to paraphrase, the Commission as a group, never together voted on whether they were going to accept or deny the entire levy. So, the taxpayer didn't have a voice or individual working on their behalf to determine if it was in their best interest. It was arbitrary. Mr. Belter stated that by our inaction, we went ahead with the Replacement Levy. Mr. Truitt stated that the Commission does speak for the people.

Mr. Belter stated that the Redevelopment Commission did not raise rates. What we did by refusing the levy, the reduction was not as great as it would have been. The TIF concept is that the existence of the TIF District slows the reduction of the rate.

Mr. Bridges asked a question but wasn't clear due to background conversations.

Mr. Belter stated that's the 2003 decision. It came as a surprise that the amount of the replacement income was as large as it was. The estimates that we had, which were based on the best information that was available at the time, was that the total replacement would be on the order of \$270,000. In fact it now appears that the Replacement Levy will be on the order of \$470,000. Although, we have been cautioned that the actual income we'll receive may very well be less than that amount. This is what is scheduled to be collected but there are a number of things that could occur from the standpoint of correction from the State on individual tax bills or taxpayers not paying their bills. Understand that the income will in no way be more, but it will likely be less. That said, I think it's pretty clear that our concerns and our attempt to be conservative

from the standpoint of making sure that our obligations are paid. We will not have any trouble meeting our obligations.

This leads into the 2004 decision. We are still in “catch up” mode as far as the normal calendar of events. While it was our original intention to hold this meeting in late September, we found out that we were staring at two deadlines associated with 2004. One of those deadlines for 2004 is Labor Day. That was submission of Part I of the worksheets, what we did last year in December, is due this year by Labor Day. Again, we’ve hired Umbaugh & Associates to go through and fill out those worksheets based on the best information that we have at this point. We have every reason to believe that this year’s estimates are far more accurate than last year’s, in part because we have now been through reassessment and we are not re-adjusting the base rate. They are still estimates, but we have every reason to believe that these are much closer than last year’s. It also looks like, from the estimates, that we benefited during the process of the new base rate calculation because the amount of money that we expect to bring in at least 2 out of 3 districts has helped significantly.

Because of the Labor Day deadline, Mr. Andrew signed and overnighted the forms yesterday. That is the Part I worksheet, it’s not the decision as to whether or not we need the Replacement Levy. That’s what I’d like to cover with the Commission at this point. I’d propose that we do that on a district by district basis to decide if we want the Replacement Levy.

Mr. Andrew gave a project breakdown for the KCB District. In 2003 we had the Purdue Research lights, which are a continuation on Hentschel west. Mr. Bauman stated that this topic has been discussed previously as well. Mr. Andrew continued by saying that it’s \$250,000 for the lights. The second is a contingency for the Research Park and the trails project and that’s \$150,000. The third is the Friendship House and it’s \$150,000. The fourth is the fiber optic. This has been discussed several times and no real decision has been made as to who’s paying for what, but we are anticipated \$200,000 in 2004. The fifth is the Cumberland parking improvements at \$150,000. The sixth is the Cumberland Park improvements at \$175,000. The seventh is the Celery Bog Nature Area improvements at \$175,000. Mr. Payne stated that this is the follow up for the original plan to try to restore what was a fairly destroyed biological system, to its rather historical functioning ecosystem. We started that this week. Lindberg Road project was completed. We’ve done the first phase of water control. When we started that project, we also did some vegetation removal and some reseeding.

Mr. Nay stated that Mr. Payne has mentioned in the past about getting the water level high enough to support aquatic life and that would in addition help control the mosquito population. Is this going to happen? Mr. Payne answered that we think this will work with our drainage system. Doing this will certainly help the ecosystem be the way it should be as a wetland.

Mr. Andrew continued saying that the eighth is McCormick Road signals at \$200,000. These would be put in to take into account the future expansion of McCormick Road. The ninth is McCormick Road improvements at \$50,000. The tenth is the bond payment at \$531,000 for the Research Park.

Mr. Belter stated that by looking at 2003 we began with an unencumbered balance of about \$430,000 and have an estimate of approximately \$400,000 of expenses, meaning we are spending all but \$31,000 of that. We do hope that in 2003 to receive, now very late in the year, a total of 1.8 million, which would then give us some unencumbered beginning balance in 2004 of 1.9 million and with the projects that have been outlined, we would spend all but \$247,000 of that. Again we expect about 1.8 million of income and that is without the Replacement Levy.

Mr. Bauman stated that we have the balances that we have to work with because we can't enter into a contract if we don't have the money. We are essentially working on the cash flow of the revenue of the previous year. That's an important concept to keep in mind. The other thing I want to share is for 2004, which is an estimate because we don't have 2004 rates. We are past the major uncertainty, the impact of the reassessment equalization, and also have a good idea of what the assessment increase has been from some of the items that have occurred in the district previously. Finally, I want to direct your attention to the balance that we are looking at for 2005. We start to have a significant balance in 2005. In addition to our recommendation of not taking the TIF Replacement Levy for the KCB District, we'd also like to highlight for you that we would like to further study and expect to make a recommendation to the Commission to continue to do again what we've done once before, which would be to look at removing one or more areas from the district, which would reduce the income and would also increase the assessed value. Now that we have this information, we believe that we can make that recommendation in confidence knowing that we can provide for these projects and meet the obligations.

Mr. Nay asked if we have another option, rather than removing areas immediately, can we instead refinance the bond and pay it off? Mr. Bauman stated that it's theoretically possible and we can ask Umbaugh to do the calculations. The bonds, in order to be commercially marketable and get a good interest rate, one of the standard features in the market is that it's a ten year no call provision. That doesn't mean that you can't refinance it, but it does mean that you have to do what's called a deferment, which is to set aside the money to pay those interest payments for the first ten years that the bond holders were expecting. What you do is save money then on the out end of it. I believe that this was a 15 year issue, so you'd save money on the 5 years and given the issue cost of the bond, you'd have to save enough on the back end to justify that. We recently had them do the calculations on the bonds for the parking garage because interest rates had fallen considerably and they said it would not save us money because of the issue cost. I'd be happy to have them do the same analysis for this one though.

Mr. Nay asked why Mr. Bauman is talking about the unencumbered balance instead of the un-appropriated unencumbered balance. Mr. Bauman stated that part of the money is appropriated that would cover the lights and the contingency. That was part of the original contingency that our Construction Manager recommended because of the nature of the project. That is appropriated, but it's not encumbered because it wasn't in the base amount of the construction contract that we signed. It was strongly recommended to us to plan on the potential costs.

Mr. Nay asked what the impact is if we do start taking areas out of the district and what that's going to mean for the rate for the taxpayers at that point in time? Mr. Bauman stated that it would mean that the Redevelopment Commission would have less

income. It would mean other underlining with the government that would have a greater assessed evaluation when their rates are figured by computing the rate from their allowable levy into the assessed evaluation, and their rates would go down. As you alluded to this process before, when you said that the TIF did not increase the rates, but slows the reduction of the rate. This would pass through some of that reduction which we could help create the additional tax base by creating infrastructure, for example the Cumberland Road extension or the different infrastructure in the Research Park that allows development to occur and assessed values to be created or after it's been created we need to provide necessary infrastructure which would be a situation that we're dealing with proposed projects on McCormick Road.

Mr. Nay said that the point is that because the taxing districts can only raise so much per year, this will positively affect all the taxpayers of the district. Mr. Bauman said that's correct.

Mr. Belter stated that with that background, I think we still have reasonable flexibility to be opportunistic. This district includes the Research Park and there are projects that could come along, new companies, company expansion, and other expansions in that district that might call for additional money, but the flexibility is there.

Mr. Nay made a motion to notify the State and the County that we do not want the Replacement Levy in the KCB district. Mrs. Hoyer seconded.

Mr. Belter thanked Mr. Andrew and Mr. Bauman for their explanations for what's going on in that district. The feedback that I've received is that people are really excited about the improvements we've made in that district here in the last year.

Let the minutes show that Ms. Cook left the meeting due to other commitments.

Mr. Nay stated that it seems like a pretty straight forward manner because we are not in a tight situation. As with the design of the TIF concept in the first place, if it's as successful as we expect it to be, if big projects come along, we can either bond them or we will be seeing more than the conservative estimates of the revenue and of the assessed evaluations in that area so we'll have more to build from as compared to the small percentage that we're losing by turning down the levy.

Mr. Bauman stated that we are looking at a balance next year of \$247,000. It would be touch and go, for example without the Replacement Levy from 2003. It's helpful to carry a balance in that district. If you're going out and doing a big project like a parking garage, that made sense to bond for. If you're looking at going and doing a project that's \$300,000, bonding is not a very efficient way of financing that. The issuance cost makes that both cumbersome and inefficient. I think in that respect some of our smaller infrastructure projects have been examples of very good use of cash out of that TIF fund in order to do more modest infrastructure projects.

The motion passed unanimously 3-0.

Mr. Andrew moved on to the breakdown of projects in the Sagamore District. We've got the sidewalks estimated at \$50,000. For landscaping we've got \$150,000. We've talked about a joint venture for this. We've talked with the Pedestrian Committee

about a group of crosswalks, specifically at Salisbury & 52 as well as Yeager & 52. This would be about \$70,000. The rest of the projects, with the exception of the frontage roads, which would involve the acquisition of right-of-way as well as construction, are probably \$500,000 in 2005. Mr. Bauman stated that 2005 is an arbitrary guess. We have been discussing with that land owner for several years, the concept of participating in a Nighthawk Drive type project that would provide the access road and signal and working with INDOT to help redevelop that particle. That is going to be, most likely, a build to suit type situation. It makes no sense to build that before he has a tenant with a design. There will be a certain moment in time when we have that opportunity to work to help make the redevelopment happen that will bring new assessment and new economic activity to that area. The second observation that I want to make is that I think that we are looking at the reality that it would be a project that would not be funded and could not be funded entirely by the TIF levy. We would have to ask the City to look at CCD or EDIT Capitol Funds to assist with that, which is also true of the original Nighthawk. I think that makes it even more important that we look at opportunities where the Commission can use TIF as Capitol Funds where it is available in KCB and the Levee/Village where we have it in order that the City can save the CCD and EDIT funds for areas where we either don't have the availability for the TIF funds at all or wouldn't have sufficient.

Mr. Belter stated that the (Umbaugh estimate) TIF Replacement Levy in the Sagamore Parkway district would be about \$29,000. What is your recommendation? Mr. Bauman stated that when we get ready to do Nighthawk Drive II, \$29,000 isn't going to be what makes that project possible, it's going to be several hundred thousand dollars added out of EDIT or KCB. Not to give away the story, I think we are going recommend for Levee/Village also that the TIF Replacement Levy will not be necessary. It may be cleaner to just ask the council to reject the TIF Replacement Levy across the board for 2004. There are some negative impacts on Sagamore, but again given that we'll have to be looking at other funds for any kind of major project, I don't see it as being a big problem.

Mr. Belter stated that his personal opinion is that he's been leaning towards foregoing the levy. There's no immediate crisis and like Mr. Bauman said, it's not going to make or break things. I'll ask further members their opinion before I ask for a motion.

Mr. Nay said that because the Sagamore Parkway area is receiving as much attention as it is right, and because it is almost too small to accomplish what we want to do, I guess that I would lean towards the other direction. I think that we ought to take this small amount such as it is, just because it's positive towards helping improve that area. If taxpayers ever had a question about what the money was being used for, it would be more obvious here than anywhere else.

Mrs. Hoyer said that unfortunately we don't have all of the recommendations. Some of the things that seem very important are smaller things and we want to have the money to do them. We all want economic development there. We also want it to look nice. For some of those things, \$30,000 is quite a nice amount to do those things.

Mr. Belter stated that we are looking at going into 2004 with a balance of \$638,000. It's not whether or not we have none or \$29,000, it's whether or not we have \$638,000.

Mr. Nay stated that the argument made along that line is coming out of the taxpayers pocket because we captured the increment and it has caused a lowering of the amount that would've come out of their pocket anyway. We've always made this argument that if we don't do anything, we might go the wrong way. If anything, it's too small. If it was a practical thing that we could combine it with the almost adjacent but reduced in size KCB district, I think we should think about that. We accumulate some monies now, even though we aren't absolutely sure what we want to do with them and it's always been shown that it's been proven so far. I don't see any reason why that record that we've had, wouldn't continue.

Mrs. Hoyer stated that one of the things that she remembers is that you invest a little and then it looks good and then someone invests more. It certainly was true downtown. I'm not convinced to give that up just yet. I've been hearing that people want this to be better, they want economic development, they want this area to have businesses, but they also want it to look nice and to be comfortable. They want it user-friendly.

Mr. Belter stated that he's hearing that both Mrs. Hoyer and Mr. Nay want to keep the replacement levy. Mrs. Hoyer stated for those reasons. It's not a large amount when you're talking about millions of dollars, but when you're looking at a particular project in a geographic area, \$30,000 can do a lot.

Mr. Belter stated that he doesn't have a good counter argument and that he'd like to point out that actions of the Commission do not require a majority of those present, it requires a majority of the members. Which is to say that in order for us to pass the motion, all three of us have to agree. At this point in time, I'm failing both a motion and a second. I won't try to convince you otherwise. It sounds like the Commission's recommendation to the council is to take the TIF Replacement Levy in 2004 for the Sagamore District.

Mr. Andrew continued with the Levee/Village District. The Wabash Landing Construction contingency is the completion of the pedestrian way. Mr. Bauman said that it's sometimes referred to as Landing's Walk. The \$100,000 is a recommendation of Mr. Gall's. Mr. Andrew stated that the Heritage Trail is \$50,000. Mr. Payne stated that we will receive 75% reimbursement if we get it done. That grant is way overdue with DNR. We've been trying to wait for some solution to the riverfront connection in that area and it's progressing slowly. Mr. Andrew continued saying that for park equipment and utilities building we've got \$50,000. Mr. Payne stated that we'd like to make this building better looking and tie it into the pavilion in terms of design. Mr. Andrew stated that there's \$50,000 for the garage security. This would be security cameras on all levels of the garage. Mrs. Hoyer asked who will monitor them. Mr. Andrew stated that we're speaking to the hotel. We won't have someone sitting there 24 hours a day. The biggest concern is that it gives you a record. Mrs. Hoyer asked why we would have them if no one is watching them. Mr. Andrew stated that the screen is there and they are recording so that if there is an event, you'll have record of it. Mr. Bauman stated that having video record of some of the vandalism we've had down there would be helpful. Mr. Belter stated that it would also be a deterrent. The monitors will be both in the parking booth with the parking attendant and at the hotel front desk, which are frequently manned. They wouldn't be watching it all the time, but if they saw suspicious activity, they could

act on it. Mr. Andrew stated that for 2004 we've estimated \$50,000 for the garage improvements. For Brown Street traffic islands, there's \$50,000. The river recreation venue is estimated at \$1,250,000. That is a project that is in process. We're working with the University. The Brown Street overlook and street improvements are set at \$300,000. Mr. Payne stated that we've also got grant funds to reimburse for 75% of the work on the overlook. Our goal is to tie that into the trails on both sides. Mr. Andrew stated that Tapawingo South has \$540,000. That's an extension of Tapawingo Boulevard and its construction as well as right-of-way. Mr. Andrew stated that it's \$175,000 for the Tapawingo Park playground. Williams Street is at \$160,000. It's to signalize and improve that whole intersection. Mr. Bauman stated that the importance of this is that this route coming up and connecting over is going to be a major connection to the Purdue way road system that they are working on under the transportation plan. Mr. Andrew stated that North Chauncey streetscapes are \$150,000. This is in the area of intersection in front of Morton and the Library. We will also be burying power lines. Riverfront improvements are at \$750,000 in 2005. This is a match working with Purdue on the river venue. We don't have any numbers yet for the wayfinding at this point. The specifications and cost estimates are still being figured. The bond payment is \$586,000 in 2004 for the garage.

Mr. Bauman said that when you look at those numbers, we show a balance of \$18,000 this year, \$116,000 in 2004, and \$32,000 in 2005. Those are not large balances, but they are positive. We do have some flexibility. We could delay a project if necessary. We feel that we can get by without the TIF Replacement Levy here. Mr. Belter stated that these income figures for 2004 do not include the Replacement Levy. Mr. Bauman adds that they are also estimated because we obviously do not have the 2004 tax rates. There are a number of activities down there that we feel are important. They are important to supporting that area and the development and the activities that we've already undertaken there. It's also very important to look at one of the few accessible riverfront resources in the whole Lafayette/West Lafayette area.

Mrs. Hoyer stated that we've been talking about that for years, highlighting that area. Mr. Andrew stated that we are also working with the CDC and the City of Lafayette in developing the riverfront on both sides.

Mr. Belter stated that he thinks that the projects are all appropriate, but I also feel that we have a comfortable balance if we forgo the Replacement Levy.

Mr. Nay stated that he was very disappointed that the library was not included in this district. It was taken out some time ago. We were not able to help them as much with their project as I personally would have liked to. One of the reasons we made this district the shape that it was, was to take into account what we found to be a blighted area that was west of N. River Road. Very few of these projects address that blighted area. Opportunities to improve that in spots to make it what it's becoming now. All these projects for the Park Board are great. You're probably not going to have to convince all of us of these when it comes time to vote; I'm sure the Commission will change. The detail on these is interesting, but not too appropriate right now. It's good to see a lot of projects that we have. I'm concerned that there's a lot more projects that we will need to have in the entire district. Every chance that we have to do something here that doesn't take the other development's money that we have, that we can share with other parts of the city, I think are important. For instance, we can't use any of this money from the

Levee TIF district to help with our projects along Sagamore Parkway. However, the development money from other sources that we have to use here for projects needed will be available for Sagamore Parkway. I don't think that we should lose any opportunities we can to keep this a viable allocation district that we can handle unanticipated. I've seen over the last couple years, and I know it'll happen again, a project is going to come up that has to be done because the sewer is collapsed, for example. And we won't be able to get funds for it. I think we'd be irresponsible to let go of any resources.

Mr. Bauman stated that we are looking at a major development. In several years, we'll begin to see some additional increment income from that as well. Mr. Nay is right as well. Opportunities down there may well be opportunistic. Mr. Nay stated that he wouldn't have turned down the Replacement Levy for 2003 and I certainly wouldn't do it here for 2004. Mr. Andrew stated that in the past we've also leveraged CDBG funds for the sidewalks in the Village area so that frees up funds too. Mr. Nay stated that the Village needs a lot of work. It's not clear that the library's parking garage is going to be enough parking for a vital village.

Mrs. Hoyer stated that she's still sorting it out. We are charged to develop this area. We need to be sure that we make the right choice because people want us to do things with the city while they talk about their tax dollars in their pockets. It's a hard decision.

Mr. Nay stated that our crystal ball isn't all that clear. That's why putting some aside would be a much better, responsible action rather than try to get rid of the temporary pain that may seem to be here.

Mr. Bauman stated that this is a decision that we can make annually. I think if we go ahead for 2004 and recommend to reject the TIF Replacement Levy, it gives us an opportunity moving forward to next year to see how much additional growth comes on to the assessed value and how much other growth we might have in the TIF. I think also that if you look at the projects here, while we're projected to spend the money on important infrastructure in the area, past this time line, we would be looking at approximately a million dollars of potential revenue that could go towards cash for additional projects or if we had an opportunity for a large redevelopment, that would be available for bonding.

Mr. Nay stated that he doesn't agree with Mr. Bauman on the renewed opportunity. I think we are basically just walking away from a lost opportunity that we could regret.

Mr. Belter stated that he understands and appreciates Mr. Nay's strong feelings. While I would be inclined to personally recommend to the council that the Replacement Levy will not be taken in 2004 but again we need three votes from three members to pass that. Mr. Nay's arguments are valid ones. Mr. Nay stated that he doesn't appreciate being in the position that if I vote no that this goes down, specifically when we are missing two very important members here. Is there any way that we can table this portion until we can get a full body to accept this?

Mr. Bauman stated that the problem that we're getting into is that the Mayor is contemplating submitting this issue to the City Council for their meeting on the 16th.

Mr. Belter stated that the subject needs to go on their agenda. As of today, our recommendation to them would be that they not take the Replacement Levy in the KCB District, but would take it in the Sagamore and the Levee/Village Area. I assume that between now and the 16th, we still have another opportunity to have another meeting depending on the schedules of the other two members.

Mr. Nay agrees. Mrs. Hoyer stated that I think this is a time of refocusing our visions for this area. More time to think this all through would be great.

Mr. Treptow stated that if you do not notify DLGF by the 20th and the County Auditor by the 22nd, the rate gets advertised, so you really have until the new tax rates are available to reduce or rescind.

The Commission picked several dates for Ms. Cook and Mr. Corrigan to choose from for their next meeting, including Tuesday the 9th at 9 am, Thursday the 11th at 5 pm, and Tuesday the 16th at 9 am.

Mr. Belter stated that the next item of business is a transfer of funds. Mr. Nay made a motion to adopt Resolution RC-2003-4 to change the account number on the \$104,000 for lighting improvements. Ms. Hoyer seconded. The motion passed unanimously 3-0.

Mr. Nay made a motion to adjourn. Mrs. Hoyer seconded. The meeting adjourned at 6:20 pm.

Respectfully submitted,

Francis Earle Nay, Recording Secretary

Approved:

Stephen Belter, President

/clp

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